



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

BRENNON T. MORIOKA
DIRECTOR

Deputy Directors
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BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF NON-EXCLUSIVE RENT-A-CAR CONCESSIONS
MOLOKAI AIRPORT

MOLOKAI

The Department of Transportation (DOT) proposes to offer three non-exclusive Rent-A-Car Concessions (Concession) at Molokai Airport on the Island of Molokai. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the Concession Agreements and companion Premises Leases:

PURPOSE:

To award Concession Agreements and Premises Leases to three qualified Concessionaires submitting the highest bids to operate non-exclusive Concessions at Molokai Airport.

LEGAL REFERENCE:

Chapter 102, Hawaii Revised Statutes, as amended.
Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Molokai Airport, Island of Molokai, Hawaii
2nd Division, 5-2-04: Portion of 8

PREMISES:

- At the Commencement of the Premises Lease:
 - 1. Baseyards
 - a. MKK-002-103 containing an area of approximately 20,675 square feet

MKK-002-104A containing an area of approximately 2,461 square feet

- b. MKK-002-102 containing an area of approximately 18,653 square feet
MKK-002-106 containing an area of approximately 12,151 square feet
- c. MKK-001-101 containing an area of approximately 34,990 square feet

2. Counter Spaces

- a. MKK-301-133 containing an area of approximately 190 square feet
- b. MKK-301-131 containing an area of approximately 191 square feet
- c. MKK-301-137 containing an area of approximately 96 square feet

3. Ready Stalls

Ready stalls will be allocated on a proportional basis based on the concession bid. The highest bidder will get the most stalls, second highest the next most, etc.

- During the term of the Agreement:

The DOT may, at the DOT's sole discretion, require or permit the Concessionaire to add additional spaces.

ZONING:

State Land Use: Agriculture
County: Interim Zoning Provisions of the Maui County Zoning Code

LAND STATUS:

Section 5(b), Hawaii Admission Act – Ceded
DHHL 30% entitlement lands: Yes ___ No X

TERM:

The Concession Agreements will be for five years commencing on June 1, 2009, and ending on May 31, 2014. The Premises Leases will be for ten years commencing on June 1, 2009, and ending on May 31, 2019.

Should the Concessionaire not be a successful bidder for a successor Concession Agreement after five-year term, the Premises Lease will terminate and be issued to the new successful bidder who will be responsible for compensating the Concessionaire for any unamortized cost of the leasehold improvements constructed on the Premises.

CONCESSION FEE AND PREMISES RENTAL:

The total annual concession fee established in the Concession Agreement shall be the greater of the following:

- a. Minimum Annual Guaranteed Fee. The minimum annual guaranteed concession fee for each year of the Concession Agreement shall be as set forth in the Concessionaire's Bid Proposal (hereafter the "MAG"), or
- b. Percentage Fee. Ten percent (10%) of the gross receipts of the concession.

The upset minimum annual concession fee shall not be less than FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00).

The premises rent under the Premises Leases shall be the product of the square footage of the premises and the applicable rate for car rental use. For the counters, that rate currently is \$21.00 per square foot per annum. For the baseyards, the rate currently is \$1.32 for improved paved land and \$1.13 for improved unpaved land.

IMPROVEMENTS:

The Concessionaire will be required to invest a minimum total of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) for improvements, fixtures, and equipment in all of the spaces assigned under the Agreement in accordance with DOT and county building standards.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated November 15, 2000, the subject (existing baseyards) qualifies under exempt Class of Action No. 1 – "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

Should a successful bidder seek to develop a new baseyard, the successful bidder would be required to comply with Chapter 343 prior to beginning construction.

BASIS OF AWARD:

The award of the Agreements will be to the three highest responsible bidders, based upon the total amount of the minimum annual guaranteed concession fee bids for the five-year term of the Concession Agreement.

REMARKS:

The on-airport Rent-A-Car concessions have been on a holdover status for several years. The issuance of Concession Agreements will provide stability to the car rental industry and allow the operators to make necessary improvements to facilities.

RECOMMENDATION:


That the Board authorize the call for sealed bid tenders and issuance of a new non-exclusive Rent-A-Car concession subject to: 1) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State; and 2) review and approval by the Department of the Attorney General.

Respectfully submitted,

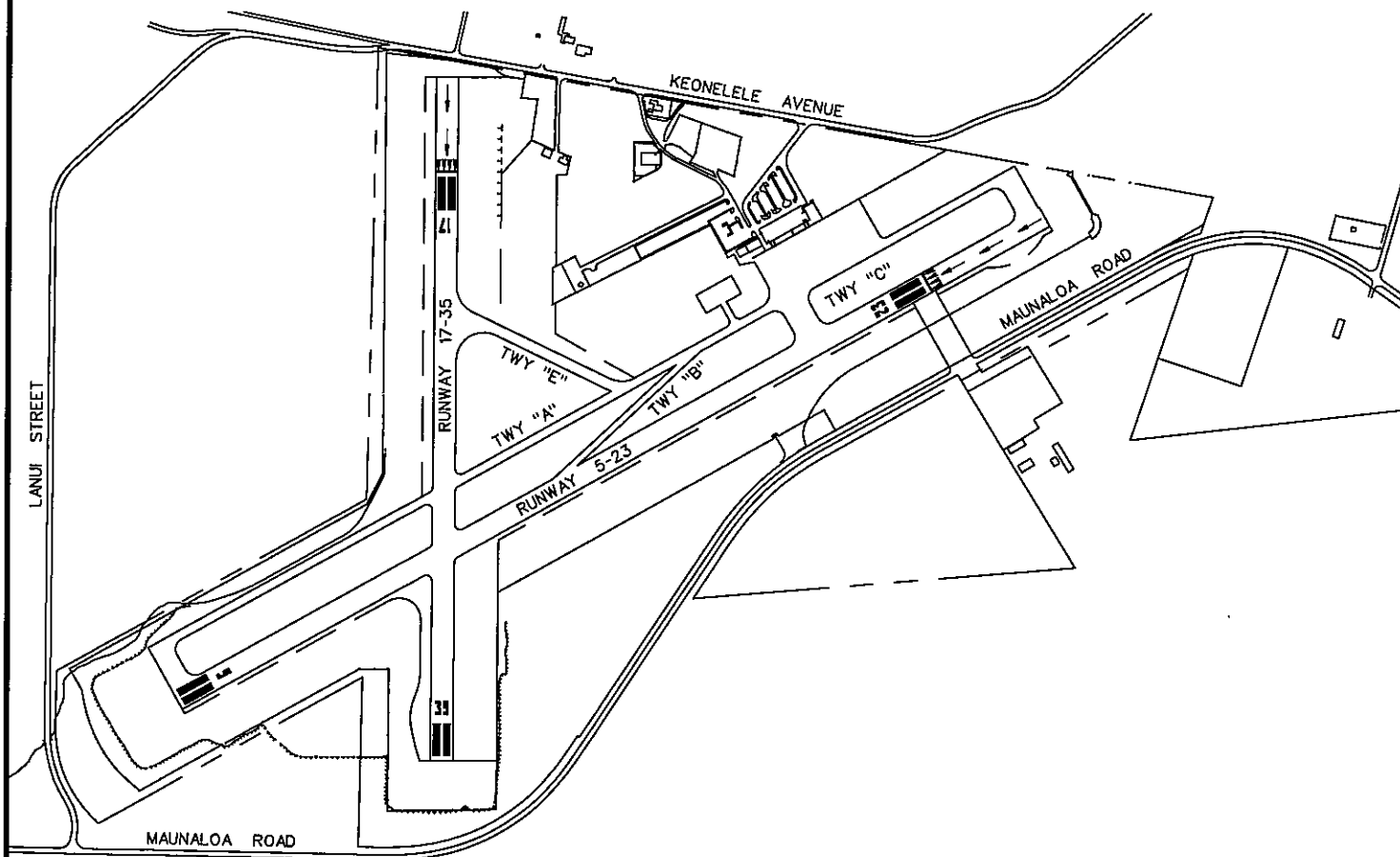


BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN
Chairperson and Member



SCALE: 1" = 800'

DATE : JULY 2008

EXHIBIT: D-1



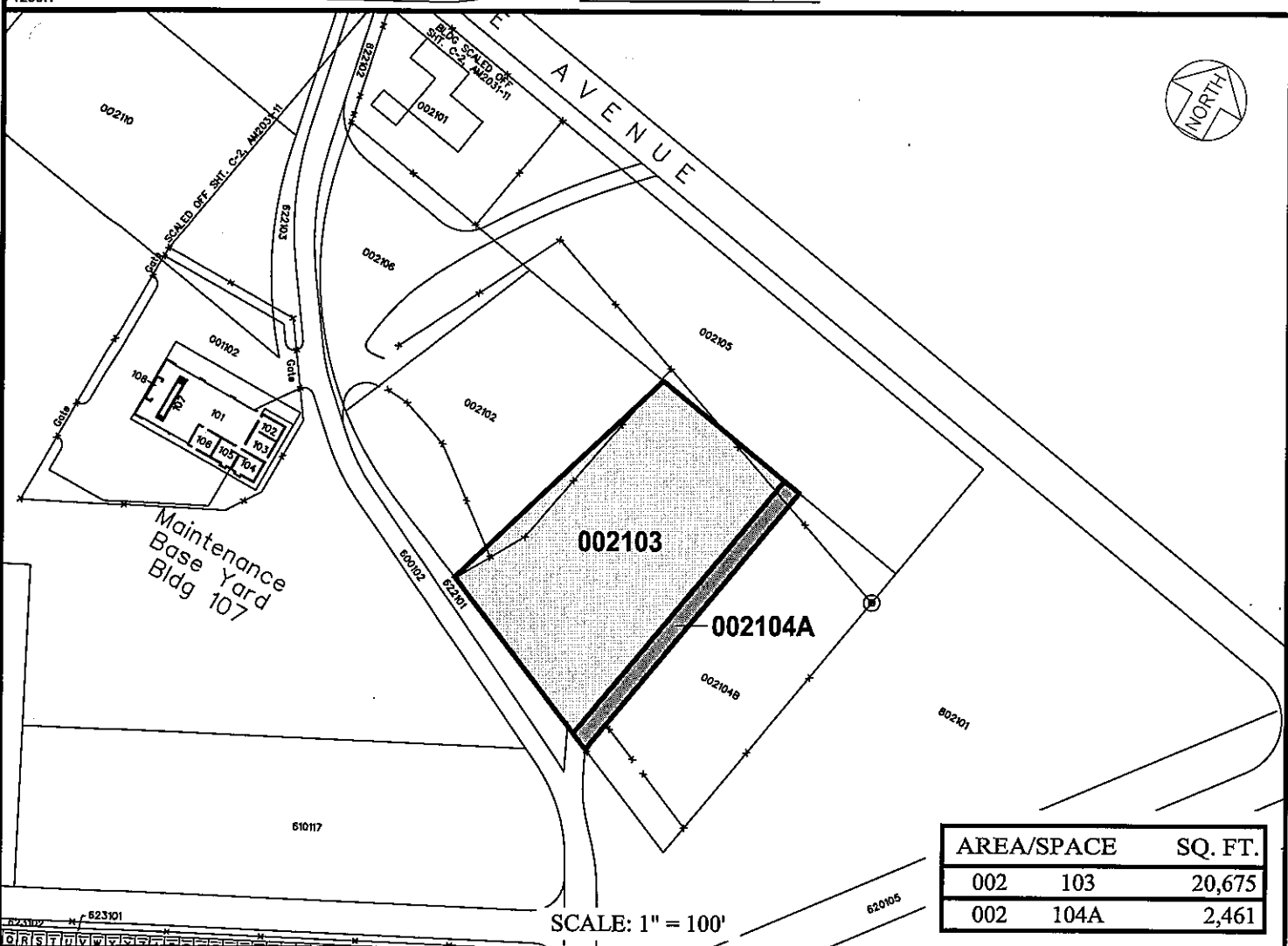
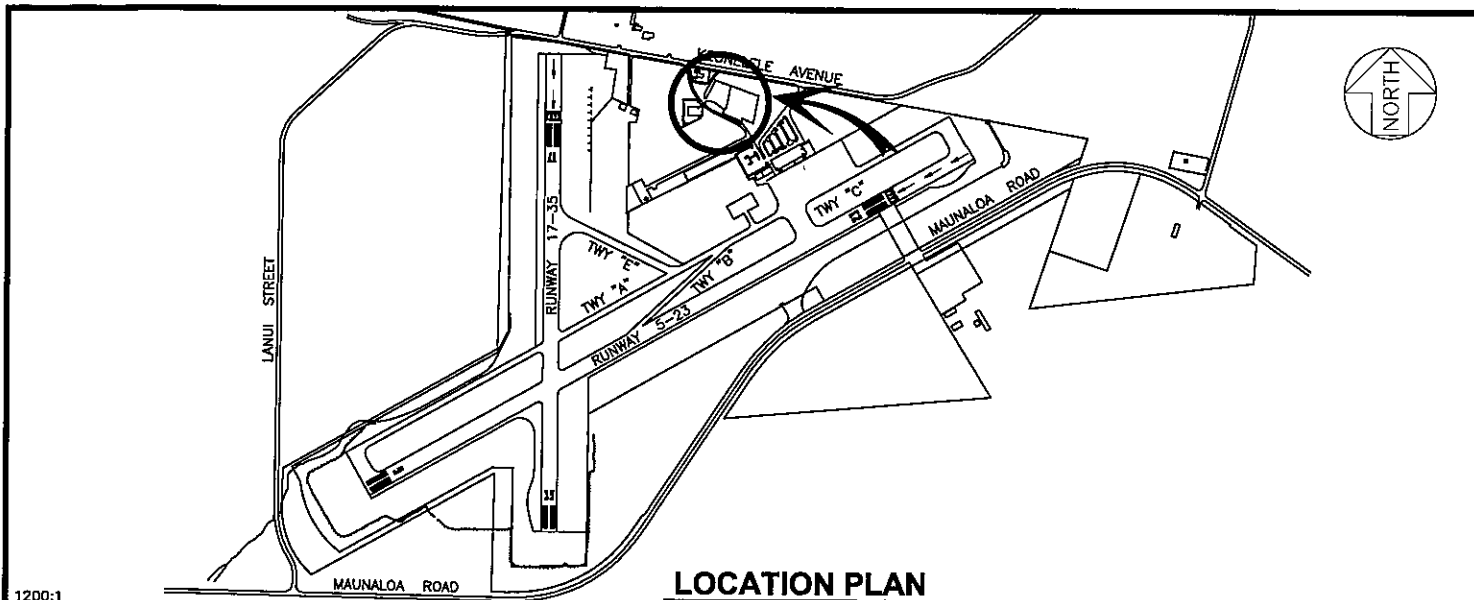
Airports Division

"AIRPORT"

PLAT 01

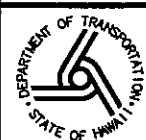
MOLOKAI AIRPORT

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DATE : JULY 2008

EXHIBIT: D-2



Airports Division

RENT-A-CAR BASEYARD

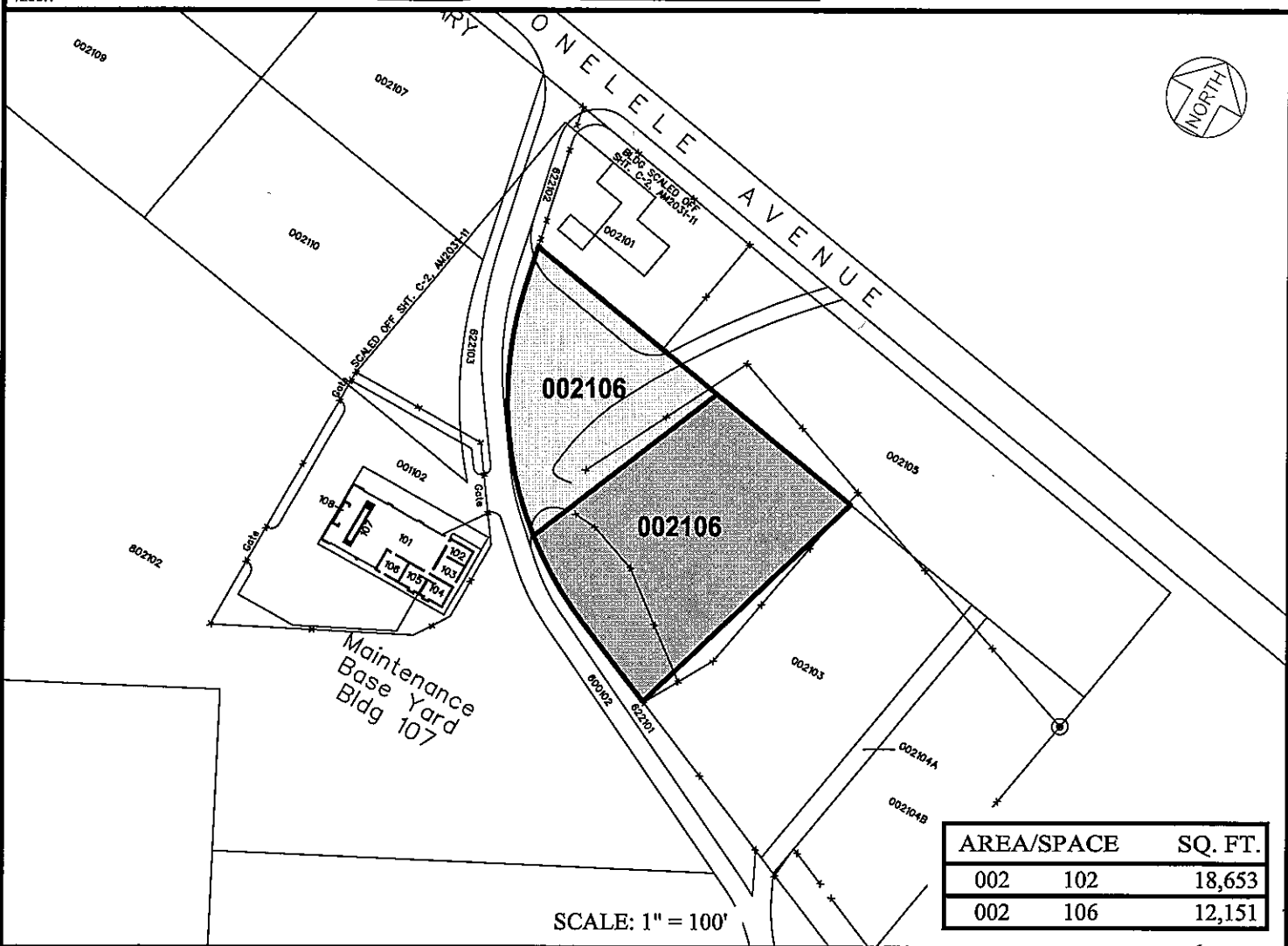
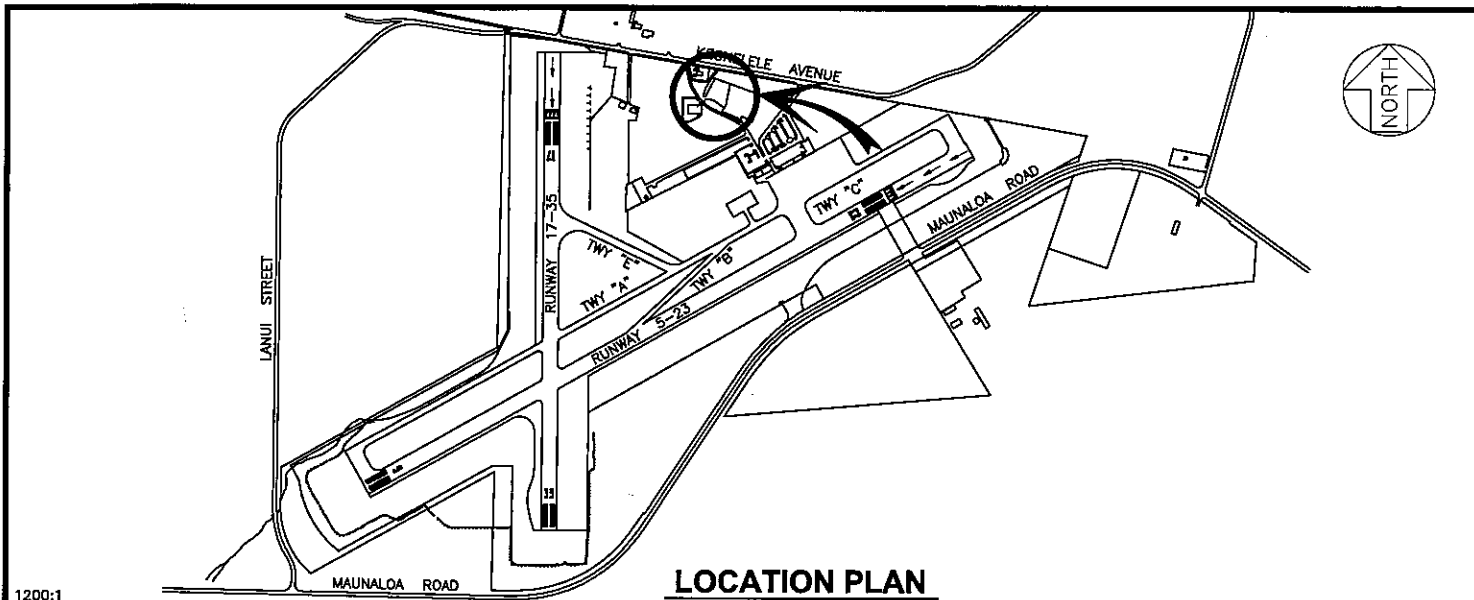
RAC SPACES LOCATIONS

002103
002104A

PLAT A1, 32

MOLOKAI AIRPORT

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DATE : JULY 2008

EXHIBIT: **D-3**



Airports Division

RENT-A-CAR BASEYARD

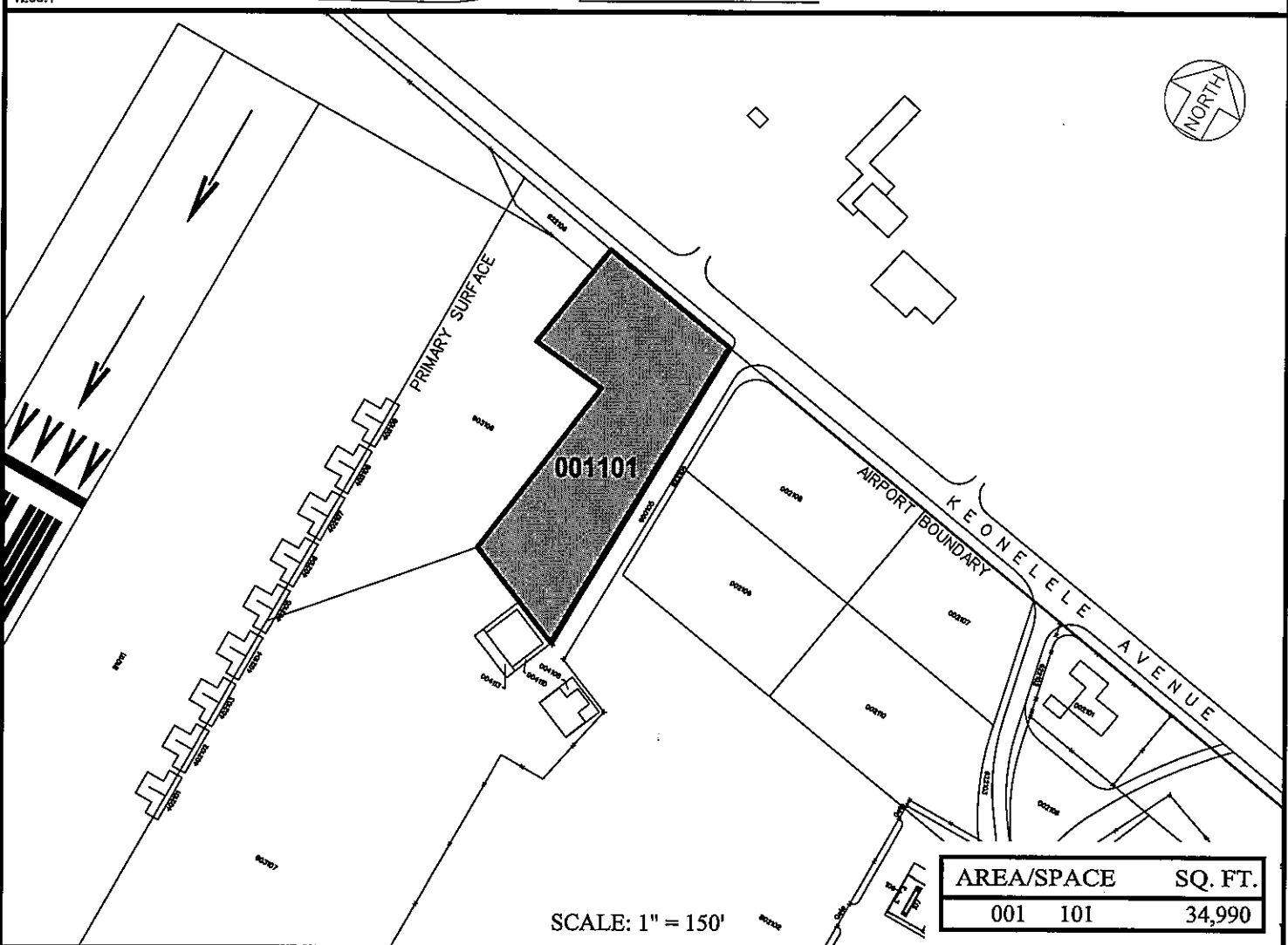
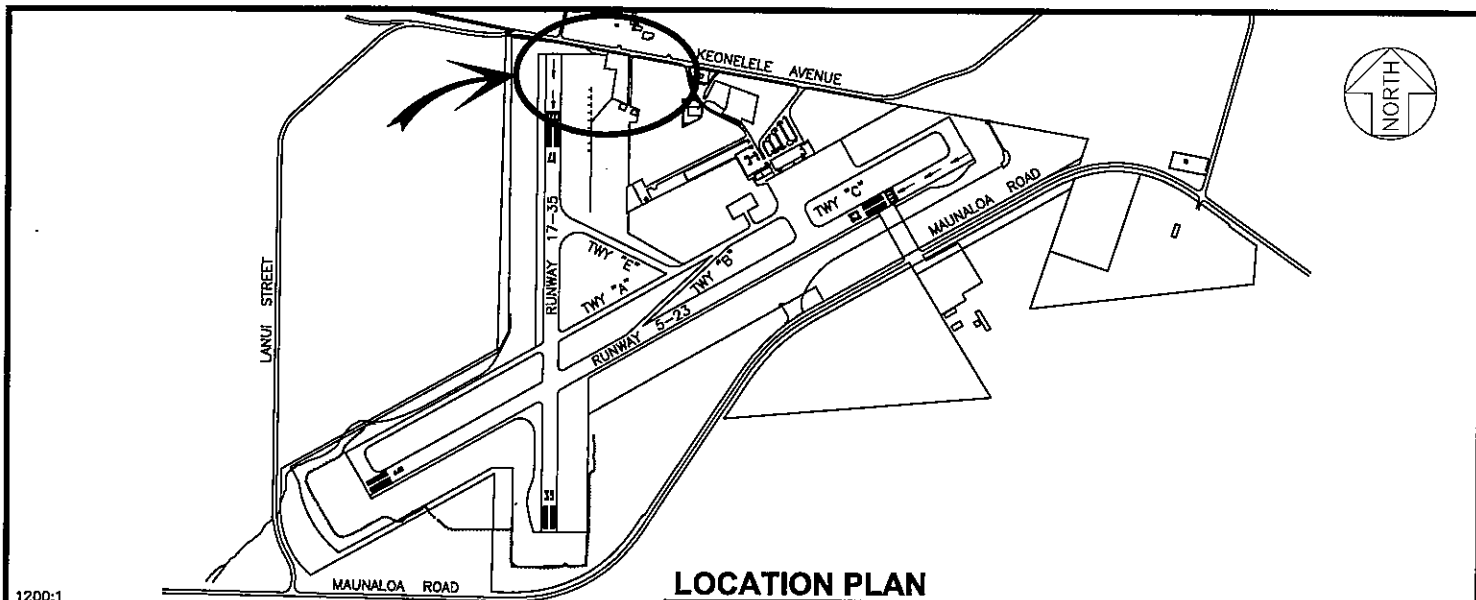
RAC SPACES LOCATIONS

002102
002106

PLAT A1, 32

MOLOKAI AIRPORT

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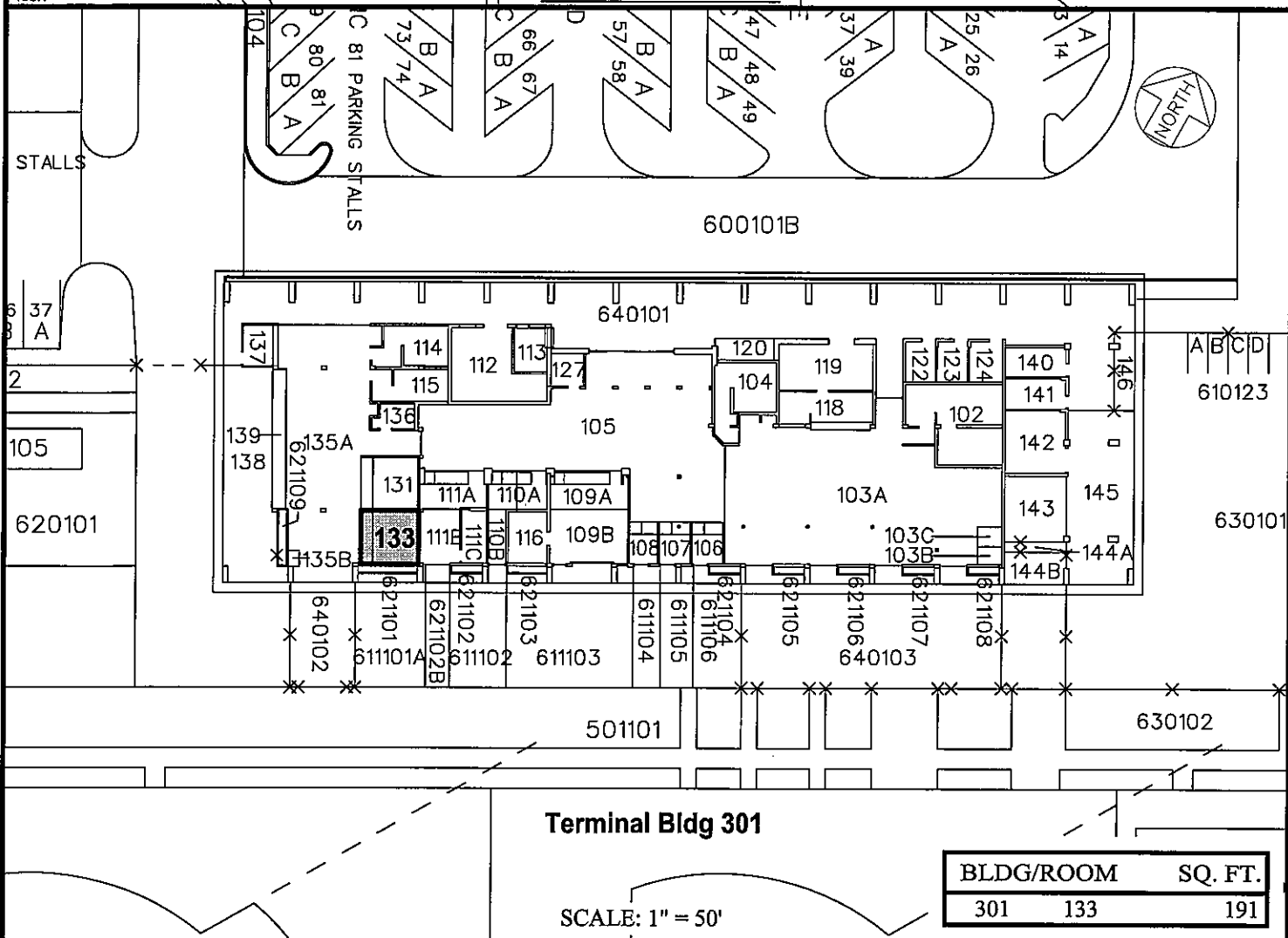
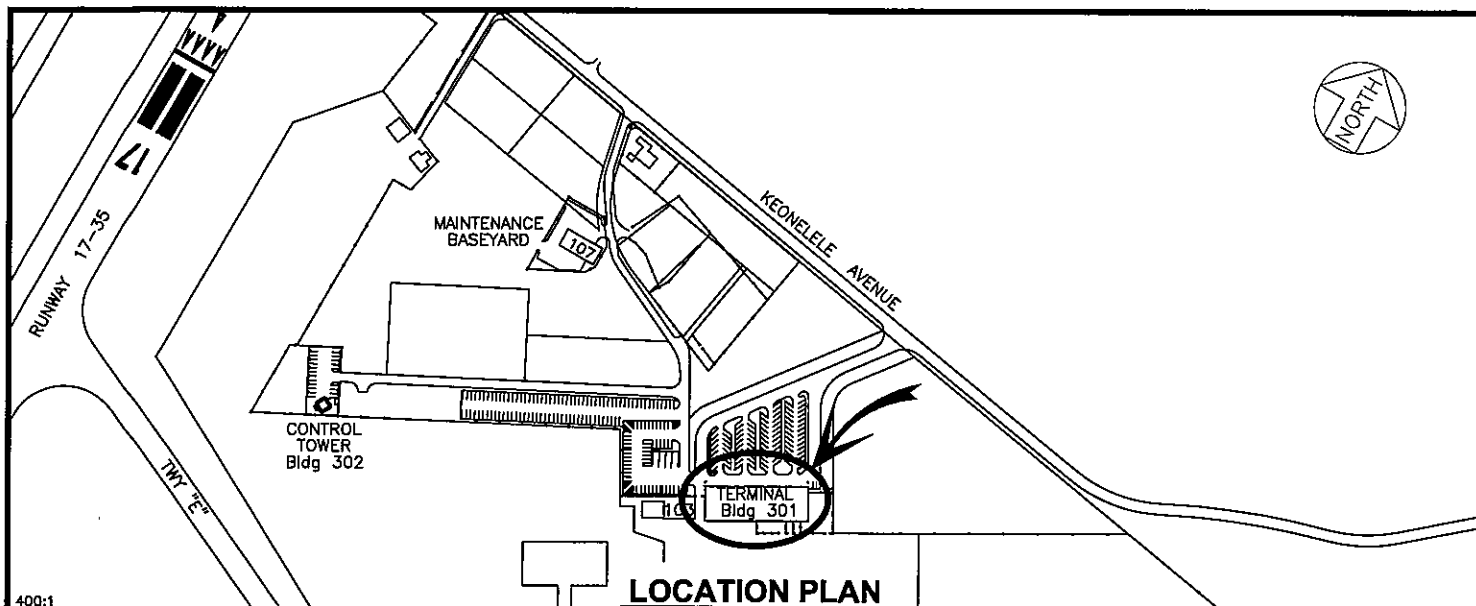
DATE : JULY 2008

EXHIBIT: D-4

<p>Department of Transportation STATE OF HAWAII</p> <p>Airports Division</p>	<p>RENT-A-CAR BASEYARD</p>	<p>RAC SPACES LOCATIONS</p>	<p>001101</p> <p>PLAT A1, 32</p>
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MOLOKAI AIRPORT

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DATE : JULY 2008		EXHIBIT: D-5	
Airports Division	RENT-A-CAR COUNTER	RAC SPACES LOCATION	301133

